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Baker Probe Counsel, Senator Clash

Journal Wire Services
Washington, D. C. — Senate hearings in the Bobby Baker case Thursday exploded into an angry partisan wrangle when the committee counsel accused Senator John Williams (Rep., Del.) of telling "an unalterable untruth."

Senator Curtis (Rep., Neb.) heatedly complained that the remarks by Counsel Lennox P. McLendon were an "impertinence" such as "I've never witnessed before in my years in congress."

Democratic Senator Pell of Rhode Island jumped in to defend McLendon against Curtis. "The man has a right to speak," Pell said. Then he added, "Because he (Williams) is a senator, he's not a god."

The exchange started when Williams charged that he had told McLendon he had additional information about government contracts handled by the McCloskey Construction Co., but that McLendon had said he was not interested in pursuing the information unless it involved Baker, the former senate Democratic secretary, and other figures in the current hearing.

CIA Contract Mentioned

Williams said he had suggested to McLendon that the staff look into McCloskey's contracts for construction of the central intelligence agency headquarters in suburban Virginia.

"You are absolutely, unalterably untrue in that statement," yelled McLendon, a white-haired 74 year old attorney.

"Just a minute," shouted Curtis. "This is the first time an employee of the senate has called a senator a liar. He has disqualified himself."

Williams interjected that he did, too, make such a statement to McLendon last Friday. "I deny emphatically any word of it," McLendon said. "There is not an ounce, not an element of truth in it."

"I've Got a Right"

Curtis continued to demand that McLendon remove himself from his post as special counsel, a job he was named to by the committee's Democratic majority.

"I've got a right," said McLendon. "I'm not going to sit here and be publicly misrepresented."

Pell sought to soothe the ruffled feelings by commenting that both Curtis and McLendon were honorable men.

Williams sat quietly through the sharp exchange of comments. He later commented that McLendon had a perfect right to state his understanding of the conversation.

However, he added, "I will never sit with the rules committee again without a transcript of everything being taken down."

Williams is not a member of the committee but has been sitting in on the hearings. He furnished much of the information that triggered the Baker probe.

Misunderstanding Hinted

McLendon sat in silence as Williams then suggested that there might have been a misunderstanding of some sort or that McLendon, whom Williams called "the major," had not heard some of what Williams had said in offering the evidence at the closed door session.

McLendon referred to the flare-up later when a request was made by Chairman Jordan (Dem., N. C.) that all correspondence between Williams and the committee be made part of the record.

"I hope Senator Williams,"

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Matthew McCloskey, Philadelphia contractor, held his hands to his head as he testified Wednesday before the senate rules committee investigating the activities of forr senate aide Bobby Baker (lower right) and William N. McLeod (upper right), four clerk of the house district of Columbia committee, also testified.

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Hot Words Fly at Baker Hearing

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and all those who heard me, realize that what I said was not voluntary," McLendon said. "I regret it. But I could not sit here and be accused of dishonesty and not reply."

"I have been aware," he added, "that this investigation is being conducted in an atmosphere of political conflict, and that is something over which I have no control."

The subject of the CIA building was the first public mention of any other contract in the wide ranging inquiry into the outside business activity of Baker.

Calls Payment a 'Goof'

© New York Times News Service

Matthew McCloskey, builder of the 20 million dollar District of Columbia stadium, has acknowledged a \$35,000 overpayment of a performance bond premium to insurance man Don

B. Reynolds in testimony before the rules committee.

However, McCloskey attributed it to a "goof" by a member of his staff.

Reynolds had testified that the overpayment had been arranged with Baker as a concealed contribution to the Democratic campaign fund of 1960.

[The Associated Press reported that Reynolds, in an affidavit put into the hearing record, said it was mentioned in the dealings that federal law limited an individual to a \$5,000 maximum political contribution.

[He added that there was mention that whatever McCloskey & Co. paid for the stadium performance bond would be "a legitimate business expense"—meaning deductible in figuring income taxes.

[Since a firm the size of McCloskey & Co. presumably

was in the 52% top corporate income tax bracket then in force, the practical effect of the arrangement that Reynolds said was made would be that the company got 52% of the amount back through a lowered tax liability.]

McCloskey, former ambassador to Ireland and one-time treasurer of the Democratic national committee, said that in actuality his company had paid a premium twice, once to Reynolds and once to the right recipient.

McCloskey testified that he had known Baker for a number of years and that Baker had told him he was associated in the insurance business with Reynolds. Baker said he would be grateful if McCloskey would let them write the insurance in the event the McCloskey firm won the successful bidder on the stadium, the witness said. Subsequently, developed

McCloskey declared, that Reynolds was accepted as "broker of record" only for the performance bond part of the insurance package.

The general liability and other forms of insurance were placed elsewhere through the Hutchinson, Rivinus Co., which normally handled his company's insurance business, McCloskey added.

The calculated premium on the performance bond, the witness said, came to approximately \$73,000, and that on the general liability to approximately \$36,000.

When Reynolds sent the company an invoice for the combined amount of slightly more than \$109,000, covering both the bond and general liability coverage, McCloskey said, "somebody goofed" and let the bill go through.

"The goof was we paid both Reynolds and Hutchinson, Rivinus the approximately \$36,000 premium for the general liability insurance," he continued.

He said the first intimation of the double payment was when Williams made a senate speech about it last September.